

Draft Charge Business Plan Work Group

A. Background

In 1996 the Director of Indian Health Service (IHS) established a work group to research methods to assist the IHS in shifting to a more business-oriented way of operating. The Business Plan Work Group (BPWG) recommended a number of changes to adopt more business like practices into key segments of the IHS operations. The process to develop these recommendations was based on a partnership with and participation by American Indian and Alaska Native people to reflect Indian country priorities.

The BPWG was established in response to both industry wide external forces affecting health care practice and financing and internal forces such as increased contracting and compacting of IHS programs by Indian Tribes. The recommendations centered on five broad categorical areas including: 1) revenue generation through third party collections, 2) cost controls and business practices to maintain financial solvency, 3) tribal shares restructuring and costs, with two additional categories of recommendations titled 4) high priority activities and 5) medium priority activities.

A number of the BPWG recommendations have been implemented throughout IHS during the past five years. Our health care environment continues to become more complex and costly. This changing environment includes the Indian Health system mix of federal, tribal and urban health programs making coordination of efforts more challenging. In 2002, we again find ourselves with many external forces upon us, including the overall increasing costs of health care, limited federal appropriations, changing rules and regulations governing the reimbursement of health care services by payers and a new administration with management agendas placing new expectations upon all government agencies including the IHS.

With these evolving environmental forces comes a need to review where the Indian Health system can improve to meet these demands. Therefore, the Director of IHS will convene a new Business Plan Work Group to study these and other issues affecting our work environment.

B. Draft Charge

The overall charge is to recommend a business plan that enhances the level of patient care through increased revenue, reduced costs and improved processes. In keeping with the President's Management Agenda, this will include adopting more corporate-like practices into key segments of Indian Health system operations. In accomplishing the overall charge, the BPWG will identify options and recommendations to address the following issues:

1. Review and evaluate the extent to which the 1997 Business Plan recommendations were successfully implemented and what should be done with any unimplemented recommendations
2. Use private sector business ideas/practices to improve such practices in the Indian Health system in an effort to produce additional revenues, produce cost savings and identify I/T/U operating weaknesses in the areas of business practices.
3. Provide projections for Headquarters and all IHS Areas regarding assumption of tribal shares that might occur over the next five years and address alternatives for planning the changes that will be required to meet patient care needs under a reorganized I/T/U system.
4. Where appropriate, consider the IHS strategic plan, GPRA performance plan, Department of Health and Human Services management initiatives and the President's Management Agenda into the recommendations. Some of the Presidential initiatives include strategic management of human capital, competitive sourcing, improved financial performance, expanded electronic government and budget performance and integration.
5. The business plan must compliment and support existing IHS documents and initiatives producing viable changes that are responsive to the rapidly changing health care industry.

The workgroup will assess options for addressing the above issues considering representative views from throughout Indian country. It will recommend actions/initiatives that will continue to advance the health of Indian people and strengthen the business practices of the Indian Health system. The workgroup will coordinate its efforts with the Restructuring Initiative Workgroup and other workgroups or professional advisory groups that may be operating and have relevance to the charge of this workgroup.

C. Workgroup Composition and Process

The strength and diversity found in the 1997 Business Plan was due, in large part, to the joint federal/tribal workgroup used to develop the plan. The IHS, in conjunction with tribes, has further strengthened this process with the release of IHS Circular No. 2001-07, Tribal Consultation and Participation Policy. The role of workgroup members is to guide the process, represent the broadest possible views from Indian country and make certain that the process provides an opportunity for review and feedback.

1. The workgroup will include no more than 25 members. Following principles outlined in IHS' consultation policy, the membership will be composed of:
 - 12 representatives from the ranks of tribal leaders recommended by the tribes in each of the 12 IHS Areas.
 - Four representatives recommended from within each of the four national Indian organizations (National Indian Health Board, Tribal Self-Governance Advisory Committee, National Congress of American Indians, and the National Council of Urban Indian Health)

- Remainder of the BPWG to represent an IHS program focus, IHS administrative focus and possibly members from other DHHS agencies or private-sector members representing business or academic settings.
2. A tribal and Federal workgroup member will serve as workgroup co-chairs in keeping with the partnership theme. The IHS Director will appoint the Federal co-chair and tribal workgroup members will elect the tribal co-chair. In addition to workgroup member responsibilities, the co-chairs are responsible for conducting workgroup meetings, assuring equal opportunity for expression of views from all workgroup members, assigning needed work to appropriate support staff and for submitting the final report by December 2, 2002.
 3. A facilitator will be assigned to the workgroup and will have responsibility, working with the co-chairs, to assure issues are moved forward and considered in an open and fair manner. The facilitator will recommend a process and ground rules to the workgroup for adoption. Each meeting of the workgroup will also have a recorder to assure an accurate and prompt accounting of the proceedings of workgroup meetings.
 4. A work schedule will be determined at the first formal meeting of the workgroup. Logistical support for meetings will be provided or arranged through a contract by IHS headquarters.
 5. Technical support staff will be assigned to the workgroup to prepare materials, conduct analyses, and draft proposals, papers and reports for workgroup approval. Technical work and analysis needed by the workgroup may be assigned to specialized ad-hoc staff (both tribal and Federal employees) when necessary. Technical support staff designated for the workgroup by the IHS are Dr. John Yao, Athena Elliott, Kitty Marx, Harell Little, Elmer Brewster, Dr. Dan Cameron, Cliff Wiggins and others as appropriate. Tribal workgroup members may name tribal support staff to the workgroup if needed.
 6. All workgroup documents will be posted on a website accessible from the internet to facilitate prompt availability of information to workgroup members, the IHS, tribal leadership and the public,. The workgroup technical support staff are responsible for maintaining the website including relevant documents, workgroup updates, meeting schedules and summaries, analyses, reports and recommendations. The website may be accessed in the National Programs and Initiatives section of the IHS website (www.ihs.gov).
 7. The workgroup's final report and recommendations to the Director, IHS will be presented and shared for tribal consultation as outlined in IHS Circular No. 2001-07, Tribal Consultation and Participation Policy.

D. Products

The Business Plan Workgroup report and recommendations will be submitted to the Director, IHS by December 2, 2002. The workgroup's report will contain its assessment and recommendations relating to the charge outlined in Section B above.

When providing the Director, IHS with recommendations considered high priority that exceed a cost neutral or minimal cost threshold, please provide with your recommendations a:

- 1) brief description/purpose/scope of work
- 2) estimated timeline for implementation
- 3) return on investment and benefits to the system
- 4) human resource issues
- 5) cost estimate of the project/change.

Before adopting any recommendations that significantly affect Indian Health programs the IHS may seek further review and comment directly from tribal leaders, various Indian health organizations and Indian people.

E. Budget

The budget for conducting activities of the workgroup is \$100,000. The budget is intended to reimburse travel and per diem costs of workgroup members, any tribal technical support staff performing specialized work for the group, logistical costs of the meetings and consultant costs for any special studies or participation on the workgroup. Because this budget is limited, the workgroup should take reasonable measures to economize. The workgroup may seek additional technical support and assistance from Headquarters and Area Offices, although requests for support should be coordinated through the Office of the Director to ensure no one organizational unit is overburdened.

The workgroup may request additional funds from the Director, IHS if needed for particular studies necessary to meet the charge of the workgroup. The request for additional funds should be well justified.